



Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

**Matter of:** White Storage & Retrieval Systems, Inc.

**File:** B-250245

**Date:** January 19, 1993

Steven B. Wiley for the protester.  
Karl S. Miller for Raymond Corporation, an interested party.  
Jonathan Kosarin, Esq., and Karen Gearreald, Esq.,  
Department of the Navy, for the agency.  
Christina Sklarew, Esq., and Michael R. Golden, Esq., Office  
of the General Counsel, GAO, participated in the preparation  
of the decision.

### DIGEST

In a negotiated procurement issued on a "brand name or equal" basis, award was improperly made to a firm offering an "equal" product where the descriptive material that the awardee submitted with its offer did not demonstrate compliance with two of the stated salient characteristics.

### DECISION

White Storage and Retrieval Systems, Inc. (White) protests the Department of the Navy's award of a contract to Raymond Corporation under request for proposals (RFP) No. N00189-92-R-0191. The RFP was issued by the Naval Supply Center in Norfolk, Virginia, as a brand name or equal procurement for a White WH50 carousel storage system. White contends that the award was improper because the awardee's offer, for an "equal" product, does not satisfy the RFP's stated salient characteristics. We sustain the protest.

The RFP was issued in May 1992 and was amended several times before the final closing date for receipt of proposals on July 23. The solicitation was for a "carousel system," which uses 57-foot carousels with bins, instead of static shelving, for storing and retrieving goods. The literature included in the record shows movable carousels that deliver supplies to an operator (or "order picker") as directed by a series of keyboard commands, instead of requiring workers to search through aisles of shelving to retrieve goods from storage. The RFP sought offers for either the White WH50 system or an equal product, and listed the salient characteristics that such equal products would have to satisfy to be acceptable.

The RFP was amended three times. As pertinent here, amendment No. 0001 added a requirement for a 200-pick queue capacity and individual keyboards to control the carousels, and clarified a punctuation error in the specifications to show that the microprocessor requirement should read "530Y microprocessor keyboards with RS-232; motors, 2 each," instead of "530Y microprocessor keyboards with RS-232 motors." Amendment No. 0002 stated that access panels were required for entry into the center of each carousel, and that each carousel should have two access panels.

Amendment No. 0003 relaxed the RFP's original specification requiring that the mechanized carousels be powered by a bottom drive, to instead allow either top-driven or bottom-driven carousels. The amendment stated that "carousels proposed should possess all of the requisite features specified in [the RFP] for the bottom-driven carousels or the corresponding equivalents for top-driven design."

The RFP cautioned firms offering equal products to furnish as a part of their proposals all descriptive material necessary for the purchasing activity to determine whether the product offered met the salient characteristics of the RFP and to establish exactly what the offeror was proposing to furnish. The solicitation also advised that any offer proposing to modify a product to make it conform to the RFP's requirements had to include a clear description of such proposed modifications, and any descriptive material had to be clearly marked to show the proposed modifications. Any such modifications proposed after the receipt of proposals would not be considered. The RFP specified that award was to be made to the low-priced, technically acceptable offer submitted by a responsible offeror.

The Navy received three offers by the closing date, including White's offer for the brand name bottom-driven product and Raymond's offer for its own top-driven system, as an equal product. Raymond's offer included commercial descriptive literature and a technical proposal describing its product. The Navy evaluated the three offers and found White's and Raymond's technically acceptable. Raymond's offer was low. The agency determined that no discussions were necessary and awarded the contract to Raymond. This protest followed. Because the Navy was notified of the protest within 10 calendar days of the date the contract was awarded, the Navy was required to suspend performance of the contract under the provisions of the Competition in Contracting Act of 1984, 31 U.S.C. § 3553 (1988).

White contends that Raymond's carousel system fails to meet six of the salient characteristics that are described in the RFP. These involve the requirements for torque tubes, modular direct current drive, safety features,

two-horsepower motors, "200-pick queue capacity," and access panels. We sustain White's protest because Raymond's descriptive literature does not demonstrate that its product complies with the requirements for 200-pick queue capacity and access panels.

The 200-pick queue capacity requirement refers to the system's ability to store and process a "queue," or sequence of commands. The system's operator enters on a keyboard or hand-held control a list of carrier stops (or "picks") needed to process a batch of orders to retrieve supplies. With a 200-pick queue, the operator can enter a sequence of 200 picks at one time.

Raymond's offer included descriptive literature that described its hand-held carousel controller as a "microprocessor-based system that permits one operator to control up to three carousels with as many as 99 carrier stops programmed at any given time." Although the brochure described the basic control method and referred to optional features that were available for greater productivity (such as order prioritization, pick banding, inventory verification and so on), it did not describe any optional equipment or software to permit programming more than 99 carrier stops or picks. Raymond made no mention of the system's pick queue capacity in the technical narrative contained in its proposal; its technical proposal stated only that its "microprocessor-based hand held controller, which will provide an individual keyboard for each carousel, has the capability of RS 232 communication."

Raymond failed to affirmatively demonstrate the equivalence of its product to the name brand in its technical proposal and, in fact, the information in its technical literature showed an inadequate pick queue capacity. Thus, Raymond failed to establish in its proposal that its "equal" product satisfied the stated salient characteristics. In a brand name or equal procurement, an offeror has the obligation to demonstrate the acceptability of its alternate product. Koehring Cranes & Excavators; Komatsu Dresser Co., B-245731.2; B-245731.3, Nov. 23, 1992, 92-2 CPD ¶ 362. Accordingly, an offeror must submit sufficient information with its alternate item to enable the contracting agency to determine whether the item meets all the requirements of the solicitation. Sterling Mach. Co., Inc., B-246467, Mar. 2, 1992, 92-1 CPD ¶ 253.

In the report that was submitted by the Navy in response to this protest, the agency refers to the addition of the 200-pick queue requirement by amendment and quotes Raymond's description of its microprocessor-based, hand-held controller as it appeared in the text of Raymond's proposal. The report then states, "This statement takes no exception

to the requirement of the 200-pick queue. The contracting officer concluded that such a microprocessor could accommodate a list of 200 selections." The report also notes that a letter that was submitted by Raymond, in response to the protest, "confirms this capacity." Raymond's letter, submitted to the agency on September 15, states, "[y]ou will note that we have not taken exception to the 200 pick queue capability. It is our intent to provide a pick queue in excess of 200 picks."

Neither the contracting officer's conclusion nor the awardee's response address the fact that the literature in Raymond's offer describing its carousel system clearly states that the system "permits one operator to control up to three carousels with as many as 99 carrier stops programmed at any given time," and that there was no other discussion or explanation of the pick queue capacity of Raymond's carousel system in its proposal. Since the only information provided with Raymond's offer addressing the pick queue requirement--its descriptive brochure--showed noncompliance with this salient characteristic, Raymond's proposal did not show that Raymond's offered product could satisfy the 200-pick queue requirement.<sup>1</sup>

White also challenges Raymond's compliance with the RFP's requirement that each carousel include two access panels for entry into the center of the carousel. Raymond's technical proposal stated that "each carrier can be easily removed by simply unfastening (4) bolts, thus each carrier is essentially an 'access panel'. Bottom drive carousels require access panels. Our top drive carousels do not because of the (4) bolt design."

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<sup>1</sup>In a statement submitted by Raymond as an interested party to the protest, Raymond argues that its offer proposed to furnish three individual keyboards (as required by the RFP), each one with a 99-pick queue capacity, and that the three keyboards together satisfied the 200-pick queue requirement. We do not believe that Raymond's interpretation of the agency's requirement to permit the use of three separate series of 99 commands which would not automatically flow from one to the other, and adding them together to determine the length of the system's pick queue, was contemplated by the specification. The agency certainly appears to have contemplated a 200-pick queue per keyboard, and refers in its report to the RFP's requirement as "a 200-pick queue keyboard" for each carousel and to a microprocessor that "could accommodate a list of 200 selections." The longest consecutive sequence of selections that can be entered at one time on Raymond's microprocessor controller, by Raymond's own admission, is 99.

White argues that while the carrier may be fastened by only 4 bolts, it could not be removed without first emptying the carrier of its supplies and shelves. Under the specifications, each carrier has 18 shelves, and each shelf has a load capacity of 75 pounds. Further, the protester asserts that the drive chain must be disconnected and lower portion of the carrier lifted up. The protester contends, therefore, that this method of access does not provide "easy access," as the agency concluded, and is not the corresponding equivalent of the true access panels that were specified in the RFP and are available on White's product. In addition, White points out that the requirement for access panels is not unique to bottom-drive carousels, but that they are available as options for either system. White states that it has supplied top-drive carousels with access panels under different contracts where the solicitation required that feature, as this one does.

The Navy does not respond, in its agency report, to White's argument concerning the difficulties involved in removing an entire bin to gain access. Rather, the agency simply asserts that "access panels are not required for Raymond's system because the easy removal of the entire bin serves as a means of access . . . ." Similarly, the awardee states that the protester's assertion in this regard "is not an accurate statement," but does not elaborate or refute the alleged inaccuracy.

In view of White's detailed explanation of the difficulties of access to Raymond's system, as well as its unrebutted statement that access panels are considered optional features on both top-drive and bottom-drive carousels, we do not view Raymond's offered method of access as the corresponding equivalent of the separate access panel that was specifically required by the RFP.

In sum, Raymond's proposal did not demonstrate that its product complied with the RFP's requirement for 200-pick queue capacity and for access panels.<sup>2</sup> We therefore

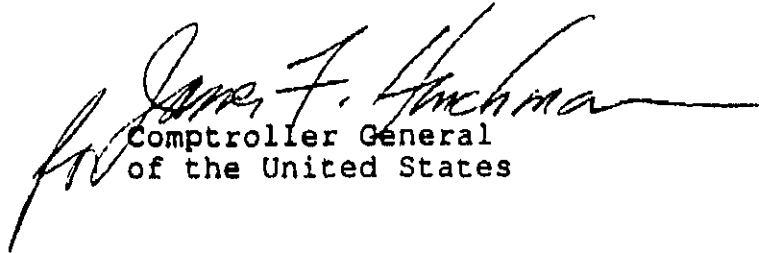
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<sup>2</sup>We have reviewed the four other areas of alleged non-compliance and find the agency reasonably concluded that Raymond's product met the salient characteristics. For example, White argues that Raymond's system only provides one emergency stop button per carousel, which the protester challenges as not complying with the RFP's requirement that "all known safety features available should be installed." Raymond offered an emergency stop button on each carousel and a stop button on each controller. While White believes a more elaborate safety device should have been provided, we find no basis to object to the agency's finding of compliance in this area.

sustain the protest and recommend that the Navy re-examine its actual needs regarding these two salient characteristics.<sup>1</sup>

If the Navy finds that its minimum needs would, in fact, be satisfied without the 200-pick queue and without the separate access panels, then the agency should amend the RFP to express its needs accurately, allowing both offerors to revise their offers to respond to the relaxed specifications. If, on the other hand, the Navy determines that its needs were accurately expressed in the RFP, then we recommend that the Navy terminate Raymond's contract for the convenience of the government and award the contract to White, as the low-priced, technically acceptable offeror, if that firm is otherwise eligible. We also find that White is entitled to recover its costs of filing and pursuing the protest. 4 C.F.R. § 21.6(d)(1). White should submit its claims for protest costs directly to the agency within 60 days after receipt of this decision. 4 C.F.R. § 21.6(f)(1).

White's protest is sustained.

  
Comptroller General  
of the United States

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<sup>1</sup>White submitted evidence during the course of the protest concerning the prices of other model carousels it markets comparable to Raymond's product.